

NEW LEGISLATION ON FINANCIAL CONSUMER PROTECTION TO TAKE EFFECT FROM MARCH 25

The FSC approved the supervisory regulation on financial consumer protection on March 17 as a necessary final step for the implementation of the newly enacted Financial Consumer Protection Act beginning on March 25, 2021.

The implementation of the Financial Consumer Protection Act¹ will (a) expand the application of the six major sales regulations to all financial products, (b) require financial institutions to set up internal control standards for consumer protection, (c) introduce punitive fines of up to KRW100 billion as well as tougher criminal penalties, (d) expand consumer rights for subscription withdrawal and cancellation of unfair and illegitimate contracts, and (e) strengthen measures for consumer remedies.

Although the new law will go into effect from March 25, certain aspects of the measures that require more preparation, such as setting up internal control standards or system development, the application of new regulations will be deferred for six months.

In the meantime, the authorities plan to hold a series of information sessions to make sure that both the consumers and financial businesses across different sectors are well informed about the specifics of the new law.

The financial authorities will continue to provide support and work to ensure a smooth implementation of the new law on financial consumer protection.

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For press inquiry, please contact Foreign Media Relations at fsc_media@korea.kr.

¹ Please click [here](#) to see more details from the press release dated March 17, 2020.